



Ninety-Seventh Legislature - Second Session - 2002
Committee Statement
LB 1247

Hearing Date: February 4, 2002

Committee On: General Affairs

Introducer(s): (Beutler)

Title: Authorize the use of pickle card technological aids as prescribed

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

| | | |
|---|---------------------|---|
| 7 | Yes | Senators Cunningham, Erdman, Janssen, McDonald, Redfield, Schrock, Synowiecki |
| 1 | No | Senator Burling |
| | Present, not voting | |
| | Absent | |

Proponents:

Senator Beutler

Loran Schmit

Jim Moylan

Representing:

Introducer

Nebraskan's for Charitable Gaming

Nebraska Liquor and Beverage Association

Opponents:

Representing:

Neutral:

Gary Blair

Bob Craig

John Adams

Representing:

The Viking Ship

American Legion

International Gamco

Summary of purpose and/or changes:

LB 1247 would authorize the use of "pickle card technological aids". The bill adds a definition of "pickle card technological aid" to basically allow a machine that contains pickle cards and reads a bar code on a pickle card to determine a winning or losing card. It then dispenses the card to the person playing the machine. The person must still remove one or more tabs from the ticket and present the pickle card to a cashier for validation and redemption.

The bill defines a “pickle card technological aid” as a machine that:

- could not function without containing pickle cards
- does not determine the winner or loser
- does not dispense cash prizes
- performs no random generation
- does not determine chance
- does not accumulate credits or award prizes

In addition, the definition states that a pickle card technological aid is not the same as a pickle card dispensing device currently authorized by statute.

LB 1247 then essentially adds provisions so that a technological aid is treated the same as a current pickle card dispensing device throughout the act. Specifically, it states that the maintenance of a pickle card technological aid is an allowable expense for purposes of the act. Technological aids may be confiscated, seized, or sealed if it contains pickle cards deemed to be contraband or does not have a registration decal. A pickle operator using a technological aid must purchase, lease, or rent its own equipment. Technological aids are leased or rented and paid for in the same manner as dispensing devices including approval of all lease or rental agreements between licensed organizations and operators by the department. Technological aids would be required to be registered and to have a current registration decal. The registration fee is not an allowable expense for purposes of the act. The registration fee must be included in the annual report. Proceeds from the sale, lease or rental to a licensed organization must be kept separately from other revenue and registration must be paid from a specific account. LB 1247 specifically excludes pickle card technological aids from the Mechanical Amusement Device Tax Act.

Explanation of amendments, if any:

First, the committee amendment restricts the use of the new pickle card technological aids to those retail locations where alcoholic liquor can be consumed on the premises in section nine of the amendment.

The amendment also makes the changes necessary to allow the Department of Revenue to regulate the distribution process for the pickle card technological aids as well as the distributors and manufacturers of the aids. This is found in sections 5, 6, 10-14, 17, 19, 20, and 27.

In addition, it makes several necessary technical changes to allow for the use of pickle card technological aids. Specifically, repairs or maintenance of a pickle card technological aid is added to the list of allowable expenses. It allows the department to require the annual registration of pickle card technological aids. It requires a pickle card operator who uses the pickle card technological aids to purchase, lease, or rent such aid only from a licensed organization. In sections 15 and 16, it changes the requirements for construction and manufacturing of pickle cards to allow for pickle cards encrypted with a bar code used in a technological aid. In section 22, it clarifies that nothing prohibits a technological aid from identifying a winning or losing pickle card prior to the tabs being detached. This section further clarifies that if there is a conflict between the prize indicated by the technological aid and the

actual pickle card dispensed, the actual pickle card shall prevail. In section 26, it treats technological aids the same as pickle cards for purposes of seizure by the Tax Commissioner and changes that the Commissioner “may” rather than “shall” destroy confiscated pickle cards or technological aids.

Senator Ray Janssen, Chairperson